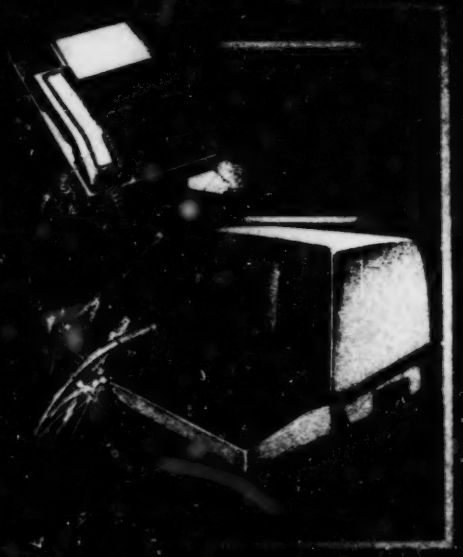

About the cover

As the Information Age advances, the innovative application of evolving new technologies will enable SASK TEL to continue to provide its subscribers with telecommunications services that are second to none.

The construction of a 3,400 kilometre fibre optic network, the world's longest commercial system, neared completion at the end of 1983.

To be completed in 1984, the lightwave technology network is a high-capacity digital system, capable of carrying voice messages, data communications, and image transmissions simultaneously (top inset).

Late in 1983, the corporation introduced a new service called Agritex. Incorporating videotex technology, Agritex provides individuals in the agribusiness community with instant electronic access to a wide range of agricultural information stored in computer data bases (bottom inset).

Saskatchewan Telecommunications profile
75 years of quality service

Saskatchewan Telecommunications (SASK TEL) is a provincially-owned crown corporation regulated by the Saskatchewan Public Utilities Review Commission.

During 1983, the corporation celebrated its 75th year of providing high quality telecommunications services to the people of Saskatchewan.

From its origin in the Department of Railways, Telegraphs, and Telephones in 1908, SASK TEL has evolved into an organization that provides a wide range of voice, data, and image services. With almost 700,000 telephones in service, SASK TEL has an investment in property, plant, and equipment exceeding $1.1 billion.

SASK TEL has been a crown corporation since 1947 when an act of the Saskatchewan Legislature reorganized the system into two categories: regulatory and operational. The operational function was established as Saskatchewan Government Telephones and the regulatory function remained with the Department of Telephones. In 1969, the name of the crown corporation was changed from Saskatchewan Government Telephones to Saskatchewan Telecommunications, reflecting the ever increasing diversity of its many services.

Saskatchewan Telecommunications is committed to meeting the communications requirements of all Saskatchewan residents, now and in the future. As an innovative leader in the telecommunications industry, the corporation will continue to apply the very latest in technological advancements to provide its customers with cost-effective, quality services and products.

Throughout the remainder of the 1980's as the Information Age continues to take shape, Saskatchewan Telecommunications will develop new services and new markets and opportunities.

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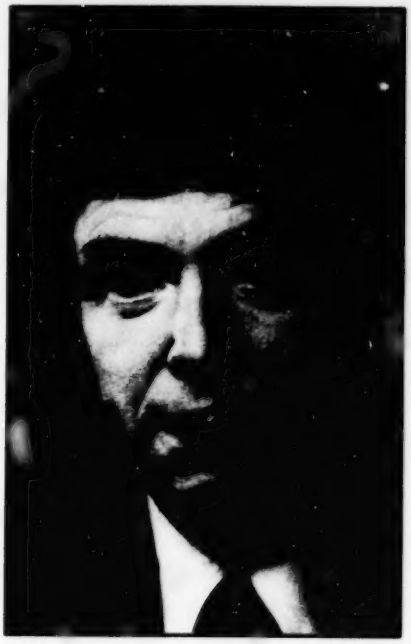
Letter of transmittal



Regina, Saskatchewan
March 29, 1984

To His Honour
The Honourable
F. W. Johnson
Lieutenant Governor of the
Province of Saskatchewan

Dear Sir:

I have the honour to submit herewith the annual report of Saskatchewan Telecommunications for the year ending December 31, 1983, including the financial statements therefor, duly certified by the Provincial Auditor, and in the form approved by the Treasury Board, all in accordance with the Saskatchewan Telecommunications Act.

I have the honour to be, Sir,
Your obedient servant,

Hon. J. Gary Lane
Minister Responsible for
Saskatchewan Telecommunications

1983 highlights

- Long distance messages originating in Saskatchewan increased by 5.4 percent over the previous year to an all-time high of 91.9 million.
- The number of SASK TEL-provided telephones in service reached a record 695,964, representing a 2.7 percent increase over 1982.
- Construction of the world's longest commercial fibre optic network was over 80 percent complete at year end.
- $116.6 million was invested in the improvement and expansion of telecommunications facilities, increasing the value of SASK TEL plant, equipment, and property to $1.1 billion.
- Agritex, a new electronic agricultural information service, was introduced.
- SASK TEL's local cable TV distribution network of 4,315 kilometres was serving 129,000 subscribers at year end.
- Operating revenues increased by 11.1 percent to $326.1 million.
- Operating expenses increased by 10.1 percent to $252.3 million.
- Net income amounted to $12 million, of which half was declared as a dividend to the Crown Investments Corporation of Saskatchewan.

Report of the President

Difficult economic conditions during 1983 tested SASK TEL's ability to respond to the uncertain business climate that prevailed nationally and internationally.

I believe the corporation has emerged from the year leaner and with greater confidence in fulfilling its mandate to supply high-quality telecommunications services at a reasonable cost to all residents of the province. However, issues are emerging that have the potential to alter our ability to keep that commitment.

Most notable are applications before the Canadian Radio-television and Telecommunications Commission for approval for competitors to interconnect with parts of the Telecom Canada network. Approval would permit long distance message services to be offered in some locations in competition with the existing network.

At stake are revenues from long distance services which historically have supported the cost of providing local service at reasonable rates, even in high-cost rural and remote areas. A loss of revenue from this source would have a dramatic impact on our ability to continue to provide both the accustomed level of service and telecommunications rates that are among the lowest in North America.

Competition offers a number of advantages in the appropriate context: an increased choice of suppliers, price competition, a larger variety of goods and services, among others. However, Canada's telecommunications network has evolved on the principle of almost universal access, resulting in a revenue averaging system in which high cost services are supported by high revenue services.

As we move further into the Information Age, an era in which information has become recognized as an important resource, I hope that no decisions will be made that would increase the cost of basic local service and thereby deny access to a portion of the population.

During 1983 SASK TEL experienced a number of other changes in and influences on its business environment. Significant among these were our first appearance before the Saskatchewan Public Utilities Review Commission (PURC), programs to restrain costs and limit hiring, a successful experience with an early retirement program, and the impact of a weak national economy on our revenues.

SASK TEL applied to PURC in February for a general rate increase, the first since 1981. The application was reviewed at an interim hearing in March and a final hearing in July. The hearings provided an opportunity for the public to participate for the first time in a review of how the corporation conducts the province's telecommunications business on their behalf. Out of these first hearings, the corporation gained an understanding of the Commission's requirements for information, and I believe the Commission gained insights into the complexities of the telecommunications industry.

SASK TEL's application proceeded in an orderly and businesslike manner and brought credit to a dedicated SASK TEL team.

The Commission approved our application for a general rate increase and ordered the new rate schedule to become effective on November 1, 1983.

I am pleased to report that SASK TEL ended the year in a better financial position than was anticipated earlier in the year, although somewhat below a long-

term rate of return deemed appropriate by the Commission. A number of factors contributed to this improved financial performance. Principal among these were lower than expected net interest costs due to reduced borrowing and improved sinking fund investment earnings. This reflected positively on our net profit for the year of $12 million.

Other positive influences on our financial performance during 1983 included the early retirement program, which will have a long-term beneficial influence on our operating expenses, and the corporation's earnings improvement program, now into its third year, which during 1983 generated realizable savings of some $2.3 million.

The 153 long-term employees who elected early retirement represented participation by more than 90 percent of those eligible. The staff reductions which resulted were maintained, in accordance with our cost containment activities. Some changes in our organizational structure were implemented at the same time.

I would like to recognize the significant contributions made by this group of retirees to the growth and development of SASK TEL during the two, three, and sometimes four decades of their service.

During 1983, SASK TEL began a program of human resources planning. This will assist interested employees in identifying career goals. For the corporation, the program will provide for more orderly succession planning. As well, the protection of our people on the job resulted in increased emphasis during 1983 on safety. This will also receive priority attention in 1984.

During the year, 10 new members were appointed to the SASK TEL Board of Directors, including Chairman Graham Walker, a director and deputy chairman of Pemberton Houston Willoughby Inc. Mr. Walker is the first person to be appointed chairman of the board who was not a member of the Saskatchewan Cabinet. The Hon. J. Gary Lane, the minister responsible for SASK TEL and the former chairman, continues as a member of the board. I am also pleased to welcome the other new members of the board.

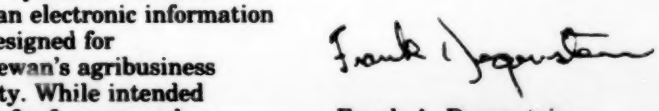
The corporation's 1983 construction program, totalling $116.6 million, is less than recent years and reflects our somewhat reduced business resulting from an uncertain national economic climate. The 1983 program included the installation of some 1,100 kilometres of fibre optic cable for the corporation's 3,400 kilometre Broadband Network (BBN). The final phases of the BBN will be completed during the 1984 construction program.

The year 1983 was the first full year for the corporation's revised terminal attachment policies, permitting residential subscribers with individual line service to attach customer-owned extension telephones. During the year, orders-in-council also permitted business customers to connect their own approved data coupling devices, allowing business customers more flexibility in meeting their communications requirements.

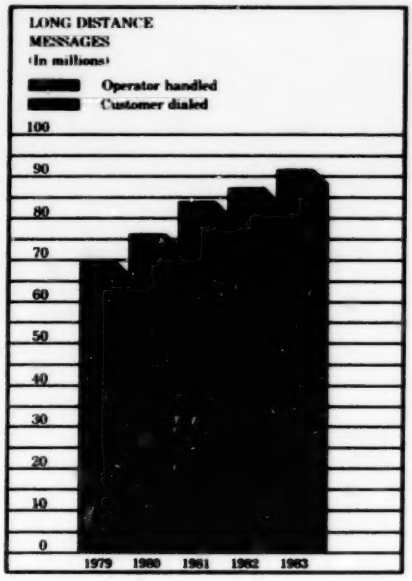
Late in 1983, SASK TEL announced plans to introduce Agritex, an electronic information service designed for Saskatchewan's agribusiness community. While intended primarily for farmers and businesses associated with the agriculture industry, it is available to anyone wishing the service. It provides a gateway to information on farm management, commodity prices, weather, news, electronic mail, family education programs, and electronic shopping.

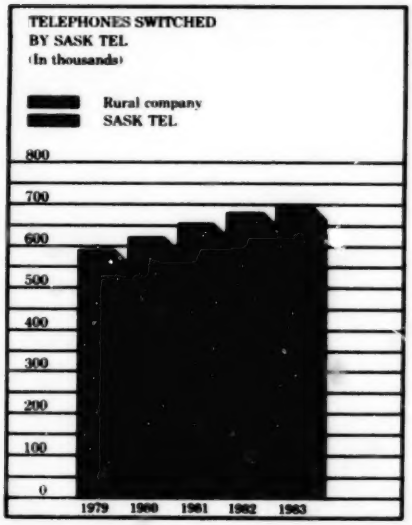
Agritex is the application of advanced electronic technology to improve communications for Saskatchewan's agribusiness community. Although the corporation recognizes this venture has a commercial risk, it also has the potential for large benefits, to subscribers, SASK TEL, and the province. Offering this service to multi-party line customers became possible as a result of equipment developed by SASK TEL that will ensure emergency access by providing a means to interrupt data being transmitted on multi-party lines.

Finally, I have made a number of references in this report to human resources. In my mind, a large measure of the success that SASK TEL has enjoyed and will achieve as a corporation serving the people of Saskatchewan belongs to our employees, whose dedication is seldom recognized adequately. I would like to single out one employee, whose commitment exemplifies the strong sense of purpose that has become a part of our corporate philosophy. Gill McCormick, who retired in 1983, devoted his considerable skill, enthusiasm, and vision for more than 50 years to SASK TEL and thereby to the people of the province. His leadership has left a standard of achievement that is a model for all of us.



Frank A. Degenstein
President, SASK TEL





Adopting new technologies for the Information Age

Saskatchewan subscribers set another all-time record for telecommunications use in 1983, although the rate of growth was lower than what SASK TEL has experienced in the past decade. The number of long distance messages increased 5.4 percent to 91.9 million, well below the growth rate experienced between 1972 and 1982 but consistent with expectations in a period of national and international economic uncertainty.

Customer-dialed long distance calls made up 87 percent of the total annual figure.

At year end, 695,964 SASK TEL-owned telephones were in service across the province, an increase of 2.7 percent over the previous year. During the year, 186,217 telephones were connected and 168,216 were disconnected, for a net increase of 18,001. It was also the first full year for the revised SASK TEL policy which allows subscribers to purchase their own extension telephones. The policy offers subscribers the choice of purchasing a telephone from SASK TEL or from a competing company, and contributed to a slower than expected growth rate in the number of SASK TEL-owned telephones.

SASK TEL and the other telecommunications companies which make up Telecom Canada worked closely during 1983 to jointly plan facilities to enhance network capacity and compatibility. The nine regional telecommunications companies and Telesat Canada employ more than 100,000 people and have a combined investment in telecommunications facilities of more than $23 billion.

Network expansion

A number of major expansion and modernization programs were carried out during 1983 as part of SASK TEL's commitment to provide efficient telecommunications services to all areas of the province.

These programs, coupled with service improvement projects throughout the province, cost the corporation $116.6 million.

Construction of SASK TEL's fibre optic system continued with the installation of over 1,100 kilometres of the lightwave cable. Now over 80 percent complete, the 3,400 kilometre system is scheduled for completion in 1984.

During 1983, 12 more links were completed for the fully-integrated system, capable of carrying voice, data, and image (video) transmissions simultaneously over hair-thin strands of ultra-pure glass fibres. These linked the following locations:

Rosetown-Outlook, Swift Current-Maple Creek, Gull Lake-Shaunavon, North Battleford-Meadow Lake, Yorkton-Esterhazy, Balgonie-Moosomin, Moose Jaw-Assiniboia, Tisdale-Hudson Bay, Canora-Preeceville, Mossbank-Gravelbourg, Nipawin-Carrot River, and Mozart-Foam Lake.

The fibre optic Broadband Network (BBN) incorporated a technological improvement during 1983 with the use of long wavelength technology. This will allow repeaters, where light pulses are regenerated, to be spaced further apart.

A second advancement, planned for implementation in 1984, will use wavelength division multiplexing in which two shades of infrared light, rather than one, are used to carry messages on the same glass fibre.

In voice transmission, the result will be a doubling of the capacity of each fibre from 672 to 1,344 simultaneous telephone conversations.

When completed in 1984, the fibre optic system will link Sas-

Photo at right — Complex integrated circuits like those in SASK TEL's DMS 200 switching system are the building blocks for the all-digital telecommunications network of the future.

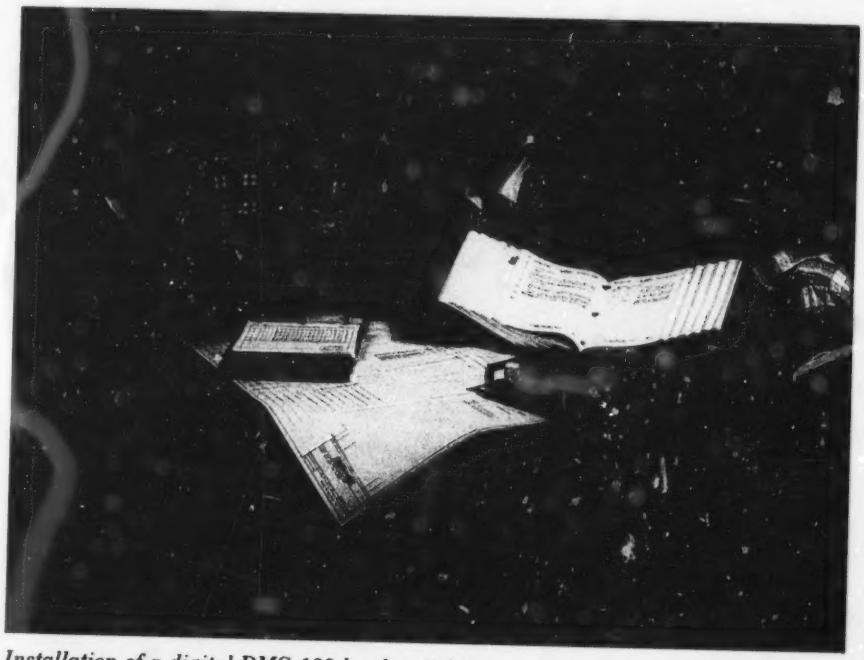
katchewan's 52 largest communities and be capable of providing fully-integrated telecommunications services to more than half of the province's one million residents.

The BBN is an example of SASK TEL's long-range plan of establishing an all-digital telecommunications network by the year 2000. This new, more sophisticated system will allow a larger number of messages to be transmitted more efficiently and with greater clarity, over longer distances. The gradual conversion of SASK TEL's system will allow the corporation to develop new opportunities for the cost-effective integration of voice, data, and image services.

One immediate benefit of the BBN will be easing of congestion on high-traffic routes throughout the province. The new system will assist in extending the total network capacity in these peak-use areas.

Fibre optic transmission is also being used to extend cable television service to urban and rural communities. During 1983, 31 communities received cable television signals for the first time through SASK TEL facilities. The new installations bring to 47 the number of communities actually receiving cable service, with another 21 communities scheduled to begin receiving service in 1984. A total of 68 communities will receive cable service through corporation equipment and lines.

By year end, SASK TEL's local cable TV distribution system was serving 129,000 subscribers.



Installation of a digital DMS-100 local switching machine was nearing completion at year end. In front of the new switch, Fred Kerslake (far left) discusses progress to date with Northern Telecom's Hank Schonberger while Noel Pilon and Clarence Clark (far right) look on.

Rehoming nears completion

Rehoming — the process of channeling long distance traffic through larger centers from smaller, rural communities — has been a priority for SASK TEL for the past several years. The corporation will achieve its goal of rehoming all long distance traffic originating in the province through either Regina or Saskatoon before the end of the decade. This will provide subscribers with a faster, higher quality, and more reliable service.

In 1983, as part of the South Saskatchewan Toll Modernization Program, Moose Jaw and 22 surrounding community dial offices were rehomed through Regina. Yorkton and its 27 connecting community dial offices will be funnelled through Regina in 1984. Estevan, Weyburn, and Swift Current toll centers were rehomed through Regina during the past few years.

Outdated cord-and-jack switchboards were replaced by 16 modern Traffic Operator Position System (TOPS) boards as part of the Moose Jaw rehome. Each TOPS unit reads out information on video display screens and allows an operator to handle more calls in a shorter span of time. TOPS units are already in service in Estevan, Regina, Saskatoon, Swift Current, and Weyburn.

SASK TEL began a similar rehoming project in the northern part of the province in 1983. The $15 million, three-year project will rehome traffic from Prince Albert, Melfort, and North Battleford through Saskatoon.

Work also began in 1983 on a local switching extension in Prince Albert. The work will be completed during 1984.

Another major project completed in 1983 was the installation of a 17,000-line local switching extension to an existing digital system in Saskatoon.

Work was under way at year

Photo at right — Doug McIntyre (left) and Dale Hanson discuss an assignment at the Datapac switch.

end on the installation of a new 16,500-line digital switching system to accommodate growth in and around Regina. This $20 million, three-year project includes integrated business facilities to provide specialized telecommunications services for the federal and provincial governments.

By year end, work was completed on the interprovincial microwave-radio route to provide more circuit diversity as well as circuit capacity for expected growth in interprovincial message traffic.

The installation of fibre optic transmission equipment provided additional digital long distance facilities within the province during 1983, as the corporation continued using the new facility to carry an ever-increasing amount of voice traffic.

Working at TOPS units that were installed in SASK TEL's Moose Jaw office during the year are Gwen Overs (foreground) and Donna Newton. TOPS units allow long distance operators to complete the details of a call on video display terminals connected to a computer.

Work began on a microwave-radio site south of Regina to reroute long distance traffic currently carried on the Regina-McLean portion of Trans-Canada microwave-radio route. The $5 million project, to be completed in 1984, will bypass downtown Regina office building construction that would block the present route.

Building renovation projects were either completed or started in a number of locations, including North Battleford, Prince Albert, Regina, and Saskatoon.

Four microwave-radio towers, along with the necessary repeater equipment and power systems, were installed in northern Saskatchewan between Pinehouse and Key Lake to significantly upgrade telecommunications services to a remote uranium mining site at Key Lake.

Towers were also built at three other northern Saskatchewan locations to increase network facilities for mobile radio customers, to provide additional coverage by CBC television, and to provide a remote subscriber radio system.

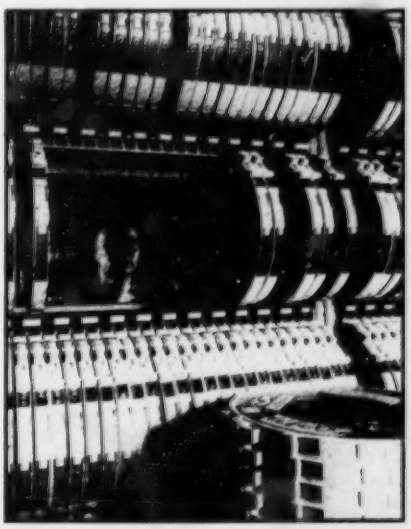
Ongoing improvements

A number of programs were continued in 1983 which reflect SASK TEL's ongoing commitment to provide modern, high quality telecommunications services to all parts of the province.

Subscribers in eight more communities received Extended Area Service (EAS) in 1983, increasing to 70 the number of communities now enjoying the service. With EAS, subscribers in an exchange area have the opportunity to make calls to a larger geographical area without incurring long distance charges. Subscribers must vote in favor of the new service, and pay a slightly higher monthly service charge for EAS.

SASK TEL extended Automatic Number Identification (ANI) service to White City in 1983. By year end, 83.4 percent of the province had this service which allows subscribers to place long distance calls without having to give their telephone number to an operator. Eight more communities will be added in 1984.

Another project designed to make long distance calling more convenient was also in progress during 1983. The new service will provide the remaining 40 percent of the province's telephones with one-digit access to long distance service, replacing the current three-digit access system. The conversion will affect mainly smaller, rural communities throughout the province.



Heather McClinton, a tape librarian in Corporate Information Systems, returns a computer tape to its storage rack.

Photo at right — At the Regina Network Management Center, one of only two in Canada, employees keep a watchful eye on the status of telecommunications traffic. The Regina regional center provides for the final routing of calls in and out of western Canada. Left to right — Brenda Schmuland, Heather Johnston, Ron Stankov, and Ray Jelinski.

Cableman Rob Nelson inspects a splice in the underground cable vault of Regina's main switching center.

The communities of Cando, Halbrite, Mendham, Stewart Valley, Viceroy, and Yarbo received individual line service in 1983. Sled Lake and the resort village of Beaver Flat both received multi-party line service.

Subscribers in 12 communities were provided with Zero-plus service which allows customers to dial their own collect, person-to-person, and credit card calls, calls billed to another number, and calls that require time and charges information. By year end, customers in 72 communities had access to this service, which increases the speed and efficiency of operator-assisted long distance calls.

Direct Dialing Overseas (DDO) service, which allows customers to dial directly to over 60 countries, was provided to Moose Jaw subscribers during the year. The service already is available in Estevan, Regina, Swift Current, and Weyburn, and will be extended to other communities in coming years.

Business services

During 1983 SASK TEL continued to provide a wide range of sophisticated telecommunications services, geared to the individual needs of the business community.

Rapid technological advances in telecommunications are constantly providing the corporation with new opportunities to serve this specialized and highly-competitive market.

As SASK TEL's evolution continues from a company that provided telephone switching and transmission services to one which today offers a broad range of fully integrated telecommunications technology and systems, the corporation continues to explore new avenues to better meet the demands of Saskatchewan businesses.

With a modern, constantly improving network in place, and with the advantage of a highly-skilled workforce, SASK TEL is uniquely positioned to become the prime provider of new telecommunications products and services as the Information Age develops.

Early in 1983, SASK TEL and other member companies of Telecom Canada formed the National Systems Group to provide voice, data, and image services on an integrated basis to organizations with nation-wide operations.

Saskatchewan business customers were able to utilize a third digital data service in 1983. Datalink is a pay-as-you-use national data transmission service incorporating circuit switching techniques. Datalink, Dataroute, and Datapac are available to business customers in Moose Jaw, Prince Albert, Regina, and Saskatoon.

The number of SASK TEL-supplied data terminals increased during 1983 to 2,210, up from 1,801 the year before. The number of SASK TEL mobile radio-telephone units also increased, as did the number of SASK TEL pocket paging units in service.

In addition to the growth experienced in these business services, the number of telephones served by on-premises business switchboards increased to more than 54,000.

Several new business products and services were also introduced during 1983 to meet specialized business needs.

Agritex

One of the most ambitious new services was Agritex, an electronic agricultural information service aimed at farmers and agribusiness customers. Agritex, available to both urban and rural subscribers, offers a gateway to computer data bases in Saskatchewan, other provinces, and the United States.

The data bases offer a wide range of information services including farm management programs, commodity prices, weather, news, electronic mail, family education programs, and electronic shopping. Access to a data base is gained by pushing a sequence of buttons and the requested information is printed on a video display screen.

Agritex customers pay a monthly network charge which varies with the time spent on the on-line system. Customers can purchase terminals from SASK TEL or from other suppliers, and individuals who have compatible home computers can also use their units if they subscribe to Agritex.

The decision to introduce Agritex as a commercial service was largely based on the results of an 18-month videotex trial called Pathfinder which revealed a strong demand for a number of agricultural information services.

As well as supporting those in the agribusiness community, the new service will provide opportuni-

ties for the development of a Saskatchewan-based information industry.

Electronic business phones

SASK TEL's product line for small businesses was enhanced considerably with the introduction of an advanced electronic business telephone system and two new state-of-the-art electronic switchboards. The new products provide many special features which had previously only been available to larger businesses and can be custom tailored to the individual needs of each organization.

Two new telephone answering devices were added to SASK TEL's product line in 1983, as were several new telephones, including two cordless models for residential subscribers.

New long distance credit cards were introduced in 1983 utilizing the Personal Identification Number system which provides added security for users. With a calling card, subscribers can make long distance calls outside of their home and business and still bill the charges to their telephone number.

The new system was introduced to eliminate third number toll fraud — the billing of long distance charges to another, unauthorized telephone number — which had cost all telephone companies a substantial amount of money each year.

Mike Anderson uses the Displayphone, an integrated voice and data terminal.

Service trials

A trial of the Residential Discount Message Plan conducted in five Saskatchewan communities ended in October. Most of those taking part in the trials responded favorably to the concept.

Under the system, customers save money by bulk-buying long distance calls placed to selected communities within a 40-mile radius.

Pathfinder

In addition to providing the basis for the new Agritex system, Pathfinder provided the 125 users in the pilot project with access to 87,000 electronic pages of information from three computer data bases. On the average, 30,000 references were made to these pages each week by those taking part in the trial.

EnvoyPost

A major step forward in electronic mail took place during 1983 with the introduction, on a trial basis, of a new service called EnvoyPost, a joint business venture between Telecom Canada and Canada Post Corporation. The one-year trial was being conducted in 20 Canadian cities including Regina. EnvoyPost allows users to send and receive information on a display screen.

Projects under way

SASK TEL, in conjunction with other Telecom Canada member companies, will begin offering Canada - U.S. "800" Service in 1984. The new system will allow Canadian and American customers to call selected businesses in the other country, using toll-free 800 numbers. The new venture, which also involves the facilities of AT&T, will open new marketing possibilities for Canadian businesses.

Two other new services will be offered to businesses in 1984, Strataroute 2000 and Conference 600.

A Moose Jaw elevator agent uses an Agritex terminal to check current flaxseed futures as listed on the Winnipeg Commodity Exchange.

Strataroute 2000 is an integrated satellite-based communications service capable of carrying voice, data, and image transmissions. It is aimed at large and medium-sized organizations with heavy telecommunications traffic among offices located in different cities.

Conference 600 will be the first video-conferencing service to be offered on a Canada-wide basis. A satellite-based communications system, it will allow customers to meet electronically through video conferences. As an advanced electronic alternative to face-to-face meetings, video conferencing provides business with an opportunity to increase productivity while reducing travel expenses.

Administrative changes

During the year a number of organizational and administrative changes took place within the corporation.

Graham Walker, a director and

deputy chairman of Pemberton Houston Willoughby Inc., was appointed chairman of SASK TEL's Board of Directors. He replaced Hon. J. Gary Lane, minister responsible for SASK TEL, who continues as a member of the board.

Nine other members were appointed to the board in 1983. They were: Doug Friend, Rosetown; Bette Harris, Nipawin; Garth Kennedy, Regina; Helen Krozser, Markinch; Mark Seidel, Humboldt; Lyle Taylor, Melfort; Ted Urness, Saskatoon; Bertha Vanderhaeghe, Esterhazy; and Art Watt, Craik. Jack McFaull of Saskatoon continued as a member of the board.

Frank Degenstein, formerly Senior Vice President — Corporate Development, was appointed President of SASK TEL. Mr. Degenstein began his career at SASK TEL in 1947 as an apprentice switchman. He replaced Gill McCormick, who retired as Acting President, a position he had held since mid-1982. Barry E. Roberts joined SASK TEL as Vice President — Personnel, Supplies, and Services, bringing to the corporation the benefit of his lengthy experience in administration and human resources management in an industrial setting.

Marilyn Boyd operates one of the 16 computerized drafting units that SASK TEL uses to keep facility records accurate and up-to-date.

Organization and personnel

A realignment of the corporation's organizational structure took place in 1983 which will allow SASK TEL to respond more quickly to the growing and evolving telecommunications needs of its customers.

SASK TEL's early retirement option was accepted by 153 eligible long-service employees. Most of the vacancies created by the retirements were not filled, creating a leaner and more responsive corporate structure with some additional duties and responsibilities being reassigned among existing staff.

An earnings improvement program which began in 1981 continued through 1983. The program identifies ways to make existing procedures more cost effective, by decreasing expenses and increasing revenues. The program has been very successful, with money saving ideas worth $4.5 million implemented and another $1.8 million in ideas identified.

A new computerized system for producing the yellow page sections of the corporation's telephone directories was introduced in 1983. The new system has reduced preparation time, is more accurate, and will result in annual savings in the production of SASK TEL's 10 district and city directories.

SASK TEL's employee development and training branch offered 200 different training programs to corporation employees in 1983, with an enrollment of 5,200.

SASK TEL also continued its out-of-hour educational assistance program which reimburses employees who successfully complete approved courses.

Another employee assistance program, developed by a joint union/management committee, was introduced during the year. STEPPP (SASK TEL Employees' Personal Problem Program) is a pilot informational and referral service designed to assist employees find help with a wide variety of personal problems, both on-the-job and at home.

A new collective agreement between SASK TEL and the Communications Workers of Canada was concluded during 1983. The one year agreement expires in March 1984.

During the year, many SASK TEL employees devoted countless hours of their own time to help make their communities better places to live. In addition to giving their time and effort, hundreds of employees support the United Way and other charitable organizations through employee-operated charitable groups located throughout the province.

The Saskatchewan chapter of the Telephone Pioneers continued its many community service activities in 1983, providing valuable assistance to individuals and organizations.

The year 1983 signalled an important milestone for the corporation. To honor the occasion, hundreds of employees and their families gathered in nine locations across the province in June to celebrate SASK TEL's 75th anniversary with family picnics. Many of the picnics took place on June 12, 1983, marking the exact day of SASK TEL's origin in the Department of Railways, Telegraphs, and Telephones in 1908.

Photo at right — Video conferences, using satellite and earth station facilities, will be one of the important business communications tools of tomorrow.

Financial highlights

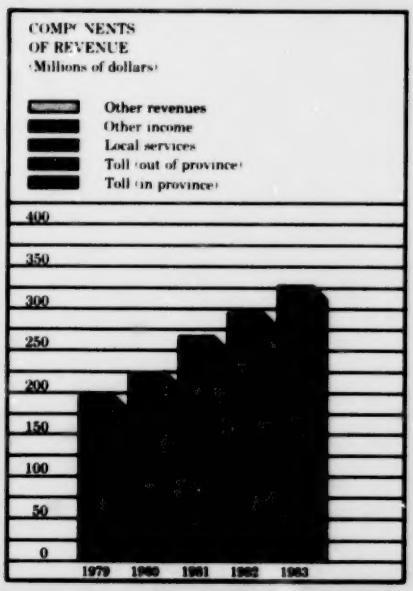
The corporation's operating revenues for 1983 of $326.1 million were up $32.7 million or 11.1 percent over 1982. Of this increase, $20.3 million or 6.9 percent was due to general rate increases allowed by the Saskatchewan Public Utilities Review Commission under interim and final orders numbered ST 2-83, ST 5-83, and ST 6-83 implemented in May, October, and November, 1983 respectively.

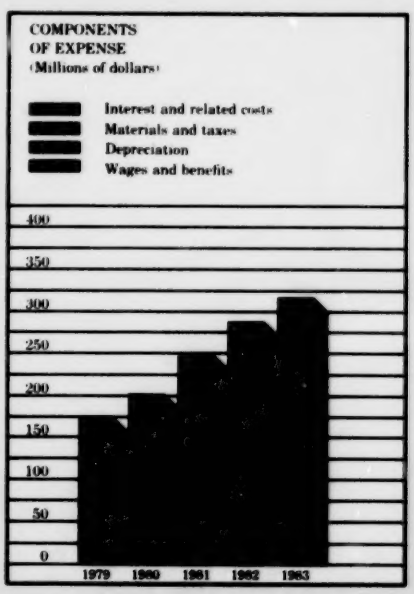
Long distance revenues of $212.2 million in 1983 accounted for 64.7 percent of total operating revenues and have increased $18.5 million or 9.5 percent over 1982. Of this increase, $14.7 million was attributable to intra-province calling, with interprovincial and international revenues increasing by $3.8 million. Local service revenues of $97.2 million in 1983 accounted for a further 29.6 percent of operating revenues, an increase of $11.5 million or 13.4 percent over 1982. Other operating revenues of $18.7 million made up the remaining 5.7 percent of total 1983 operating revenues and consisted of directory advertising, rentals, cable television services, and late payment charges. These are up $2.7 million or 17 percent over 1982. Total operating revenues were reduced by a provision for uncollectibles of $2 million in 1983.

Other income of $3.2 million was up $1.1 million or 55.2 percent over 1982 primarily due to increased equipment sales and financial income under sales-type leases.

Operating expenses for the year amounted to $252.3 million, an increase of $23.2 million or 10.1 percent over 1982. Components contributing to this increase were added salary and benefit costs of $12.4 million, added depreciation expense of $4.4 million, and cost increases in other requirements such as material and services of $6.4 million. Cost reduction measures introduced in 1981 to reduce operating costs were maintained and expanded in 1983 in light of the continued slowdown in the economy and the effect on operating revenues. These measures included a reduced construction program, an Early Retirement Plan, hiring freezes, reduction in overtime levels, and implementation of programs designed to significantly reduce material and other costs.

Interest and related costs, net of interest charged to construction and earnings on sinking funds and tem-





porary investments, amounted to $65 million, an increase of $6.4 million or 11 percent over 1982. The additional interest costs reflect the ongoing demand for capital funds. The depressed value of the Canadian dollar also contributed to additional interest costs as U.S. borrowings represent 36 percent of total long-term debt outstanding.

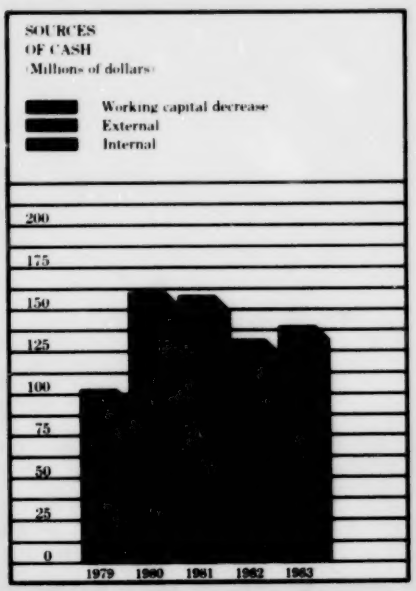
Net earnings for the year of $12.0 million represent a 1.5 percent rate of return on average capital employed which is up from the 1.1 percent achieved in 1982. One half of the net income for 1983, has been declared as a dividend to the Crown Investments Corporation of Saskatchewan.

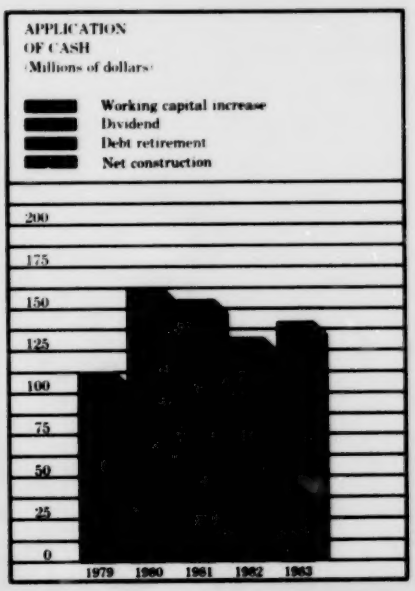
Cash required during the year totalled $138.5 million, up $9.4 million over 1982. Requirements included $104 million for net construction spending, $8.2 million to fund early retirement benefit costs, $22.4 million for sinking fund installments and long term debt retirement, and $3.9 million for dividend payment.

Net cash provided in 1983 amounted to $135.8 million, up $7 million over 1982. Internally generated funds from operations provided $70.6 million less $3.2 million for working capital replenishment. The balance of $68.4 million was provided from the net proceeds of long-term borrowing of $32.4 million and $36 million of short-term notes payable. Long term borrowings consisted of Province of Saskatchewan — Canadian $25 million 20 year 12.25 percent debentures dated March 30, 1983, and $8.2 million 20 year 11.65 percent Canada Pension Plan debentures dated November 3, 1983.

Cash and temporary cash investments at year-end of $15 thousand were down $2.7 million from December 31, 1982 being the difference between cash required and provided in 1983.

Gross construction expenditures for 1983 amounted to $116.6 million, down $4.9 million from 1982. These expenditures, less retirements, brought total investment in property, plant, and equipment to more than $1.1 billion at year-end.





Ten-year record of service

(For the year ended December 31)

	1983	1982
SUBSCRIBER LINES IN SERVICE **	**436,650**	419,971
TELEPHONES		
SASK TEL owned *	**695,964**	677,963
Inward movement	**186,217**	180,942
Outward movement	**168,216**	154,988
Net increase	**18,001**	25,954
Rural company owned (switched by SASK TEL) *	**2,002**	2,222
NUMBER OF EXCHANGES	**342**	341
ORIGINATED LONG DISTANCE MESSAGES (In thousands)		
Telephone	**82,994**	79,451
TWX, WATS, & DATA LINE	**8,931**	7,742
Total messages	**91,925**	87,193
FINANCE (In thousands of dollars)		
Operating revenues	**326,085**	293,383
Operating expenses	**252,318**	229,068
Other income	**3,236**	2,085
Interest and related costs	**65,029**	58,581
Extraordinary items	**—**	—
Net earnings	**11,974**	7,819
Dividend	**5,987**	3,900
Gross construction expenditures	**116,649**	121,509
Property, plant, and equipment *	**1,132,965**	1,046,497
Long-term debt — Province of Saskatchewan *	**714,741**	712,868
Debt as a percent of year-end capital *	**81.2%**	80.8%
EMPLOYEES AND PAYROLL		
Number of employees *	**4,400**	4,578
Salaries earned (thousand of dollars)	**131,946**	124,040

*** At December 31**

**** Represents each working central office and leased line providing customer access to our network.**

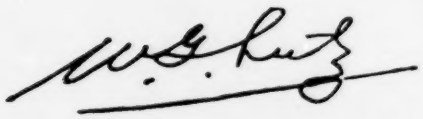
1981	1980	1979	1978	1977	1976	1975	1974
405,151	384,314	364,322	344,971	326,179	301,319	284,338	266,170
652,009	618,614	584,456	551,053	516,312	451,685	421,792	390,973
191,215	185,832	186,809	172,792	191,901	140,998	142,284	125,643
157,820	151,674	153,406	138,051	127,274	111,105	111,465	101,185
33,395	34,158	33,403	34,741	64,627	29,893	30,819	24,458
3,661	4,661	6,812	9,040	13,687	47,762	49,721	50,254
341	341	341	342	338	335	332	330
77,108	70,728	65,134	59,108	52,171	46,948	42,342	36,126
6,829	5,638	4,327	3,464	2,676	2,198	1,989	1,687
83,937	76,366	69,461	62,572	54,847	49,146	44,331	37,813
266,561	224,831	196,832	164,419	135,473	115,717	92,113	76,566
199,599	162,942	139,856	117,242	98,792	83,334	67,316	52,164
720	329	433	495	1,563	379	207	107
47,710	37,404	32,160	28,204	20,302	13,701	9,810	6,993
4,337	—	—	—	—	—	—	—
24,309	24,814	25,249	19,468	17,942	19,061	15,194	17,516
14,000	12,400	12,625	9,725	8,975	9,500	7,600	8,750
139,082	144,161	93,626	97,199	104,138	83,548	75,367	52,679
958,237	853,619	723,176	649,696	566,488	470,992	394,900	331,488
630,605	500,716	471,412	453,663	350,715	278,952	208,276	182,154
79.4%	78.7%	77.6%	78.4%	75.5%	73.0%	70.3%	67.2%
4,564	4,339	4,024	3,957	3,820	3,622	3,344	2,974
109,491	88,236	76,100	67,389	58,953	50,087	39,908	29,325

Auditor's report

To the Members of the
Legislative Assembly
Province of Saskatchewan:

I have examined the statement of financial position of Saskatchewan Telecommunications as at December 31, 1983 and the statements of operations and retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of Saskatchewan Telecommunications as at December 31, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



W. G. Lutz, F.C.A.
Provincial Auditor

Regina, Saskatchewan
March 14, 1984

Statement of operations and retained earnings

(For the year ended December 31)

	1983	1982
	(Thousands of dollars)	
OPERATING REVENUES		
Long distance service	**$ 212,163**	$ 193,706
Local service	**97,169**	85,678
Other	**18,736**	16,007
Uncollectible operating revenues	**(1,983)**	(2,008)
	326,085	293,383
OPERATING EXPENSES		
Maintenance and operations	**97,170**	88,686
Depreciation (Note 2)	**69,324**	64,960
General and administrative	**85,824**	75,422
	252,318	229,068
NET OPERATING REVENUE	**73,767**	64,315
Other income (Note 3)	**3,236**	2,085
	77,003	66,400
INTEREST AND RELATED COSTS (Note 4)	**65,029**	58,581
NET EARNINGS	**11,974**	7,819
Retained earnings, beginning of year	**149,206**	145,287
	161,180	153,106
Dividend	**5,987**	3,900
RETAINED EARNINGS, end of year	**$ 155,193**	$ 149,206

See accompanying notes

Statement of financial position

(As at December 31)

	1983	1982
	(Thousands of dollars)	
ASSETS		
Property, plant, and equipment (Note 5)	**$ 780,602**	$ 744,237
Investment — Telesat Canada (Note 6)	**999**	999
Current assets		
Cash and temporary cash investments — at cost	**15**	2,729
Accounts receivable	**44,625**	41,644
Prepayments	**2,156**	1,306
	46,796	45,679
Investment in leases (Note 2)	**6,661**	5,314
Deferred charges (Note 7)	**38,395**	29,083
	$ 873,453	$ 825,312
LIABILITIES AND PROVINCE'S EQUITY		
Long-term debt (Note 8)	**$ 632,768**	$ 629,325
Notes payable (Note 9)	**36,000**	—
Province's equity		
Retained earnings	**155,193**	149,206
Current liabilities		
Accounts payable	**25,028**	25,683
Interest accrued	**13,861**	13,426
Dividend payable	**5,987**	3,900
Service billed in advance	**4,616**	3,772
	49,492	46,781
	$ 873,453	$ 825,312

See accompanying notes

Statement of changes in financial position

(For the year ended December 31)

	1983	1982
	(Thousands of dollars)	
SOURCES OF CASH		
Operations		
Net earnings	**$ 11,974**	$ 7,819
Add: Depreciation and other items not requiring or generating cash (net)	**58,591**	51,125
Total from operations	**70,565**	58,944
Changes in other working capital (increase)		
Accounts receivable	**(2,981)**	(1,0[illegible])
Prepayments	**(850)**	(40)
Accrued interest	**435**	1,009
Accounts payable	**(655)**	(3,712)
Service billed in advance	**844**	418
Decrease (increase) in other working capital items	**(3,207)**	(3,356)
Long-term debt & notes payable (net)	**68,425**	73,205
TOTAL CASH PROVIDED	**$ 135,783**	$ 128,793
APPLICATION OF CASH		
Construction expenditures		
Gross construction expenditures	**$ 116,649**	$ 121,509
Change in materials and supplies	**(1,176)**	(2,392)
Less: Net salvage value of plant retired, capital contributions and other items not requiring cash	**(11,508)**	(11,020)
	103,965	108,097
Funding of early retirement benefit costs	**8,213**	—
Repayment of long-term debt	**22,419**	6,964
Dividend payment	**3,900**	14,000
TOTAL CASH USED	**$ 138,497**	$ 129,061
CASH AND TEMPORARY CASH INVESTMENTS		
Increase (decrease) for the year	**$ (2,714)**	$ (268)
Opening balance	**2,729**	2,997
Closing balance	**$ 15**	$ 2,729

See accompanying notes

Notes to financial statements

NOTE 1 — STATUS OF THE CORPORATION

The provincial telephone system, in operation since 1908 as a department of government, was established as a crown corporation on June 1, 1947 under the name of Saskatchewan Government Telephones. On April 1, 1969, pursuant to The Saskatchewan Government Telephones Change of Name Act, 1969, the corporation's name became Saskatchewan Telecommunications.

The corporation, under the provisions of its Act, constructs, maintains, and operates a provincial telecommunications system, provides telecommunication services, and participates in establishing, constructing, and operating a co-ordinated telecommunications system in Canada.

The corporation is subject to regulation under the terms of The Public Utilities Review Commission Act, proclaimed in full force and effect December 16, 1982.

The financial results of the corporation are included in the consolidated financial statements of the Crown Investments Corporation of Saskatchewan.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property, plant, and equipment

Property, plant, and equipment is recorded at original cost and includes materials, services, direct labour and associated benefit costs, which are readily identifiable and quantifiable with the construction activity. The corporation includes the cost of funds used to finance construction, based on the size and duration of the projects.

Depreciation

Depreciation is computed on the straight line equal life group method using rates as determined by a continuing program of engineering studies for each class of property in service.

When depreciable telephone property is retired, the original cost of such property, adjusted by any disposal proceeds and costs of removal, is charged to accumulated depreciation.

The composite depreciation rate on the average depreciable telecommunications property in service was 6.97 percent in 1983 (7.30 percent in 1982). As at December 31, 1983, the ratio of accumulated depreciation to depreciable telecommunications property was 32.8 percent (30.8 percent in 1982).

Pension fund obligations

The corporation provides the following pension plans for its employees, total costs of which amounted to $11,612,000 in 1983 ($11,415,000 in 1982).

SASK TEL Superannuation Plan

This closed benefit based plan applies only to those employees hired prior to October 1, 1977, who elected to remain in the plan.

SASK TEL meets its financial obligation for employee superannuation allowances payable in the future by making regular payments into the SASK TEL superannuation fund equal to the annual current service pension costs recorded by SASK TEL. The costs are calculated at the actuarially determined rate necessary to provide for future superannuation benefits over the remaining working lives of the employees. The latest actuarial study as at December 31, 1981 used the accrued benefit method of evaluation which indicated that continuance of employer contributions at twice the employee's contribution rate over the next 15 years would be adequate to fully fund all future service benefits and amortize past service costs of $30,600,000.

Public Employees (government contributory) Superannuation Plan

This money purchase plan applies to all SASK TEL employees hired on or after October 1, 1977. Employees hired prior to that date had the option, until October 1, 1978, of transferring to this plan. The pension costs to SASK TEL under this plan are equal to the required employee contribution. SASK TEL meets its financial obligations through regular monthly payments to the plan.

Cost of early retirement plan benefits

Benefit costs under the corporation's early retirement plan of $8,213,000 included a lump-sum payment to the superannuation fund of $7,515,437. SASK TEL, with the agreement of the Saskatchewan Public Utilities Review Commission, will amortize the cost of the plan over 24 months commencing September 1983. The annual amounts to be expensed are as follows:

1983	$ 1,368,000
1984	4,107,000
1985	2,738,000
	$ 8,213,000

Gain on retirement of long-term debt before maturity

From time to time, long-term debt is retired prior to maturity through cancellation of the Province of Saskatchewan debentures held in the sinking fund. Any resulting gain is amortized over the remaining life of the debentures cancelled.

Foreign currency translations

Net long-term debt payable in foreign currency is stated in Canadian dollars at the foreign exchange rate prevailing at December 31, and the resulting unrealized loss is amortized over the current year and remaining life of the net debt.

Interest accrued on long-term debt payable in foreign currency is recorded in Canadian dollars at the foreign exchange rate prevailing at year-end. Interest paid during the year on long-term debt is translated at the currency rate prevailing at the interest payment date. Any gains or losses relating to these items are charged to income in the current period.

Sales-type lease accounting

Under this policy, sales revenue is recognized immediately and the present value of future lease payments not due within the next year are recorded as long term receivables. Finance income is recognized as lease payments are received under contract terms and in a manner that produces a constant rate of return on lease investment.

Finance income from sales-type leases amounted to $1,083,000 in 1983 ($677,000 in 1982) with the corporation's net investment as at December 31, composed of net minimum lease payments and unearned finance income, as follows:

	1983	1982
	(Thousands of dollars)	
Current accounts receivable:		
Net investment in leases	$ 1,021	$ 620
Non-current accounts receivable:		
Total minimum lease payments receivable	$ 13,146	$ 10,665
Less: unearned finance income	5,464	4,731
	7,682	5,934
Less: current portion	1,021	620
	$ 6,661	$ 5,314

NOTE 3 — OTHER INCOME

Certain revenue items have been reclassified from other operating revenue to other income in 1983. Included are net revenue from equipment sales, finance income on sales type leases and ground lease rentals. The change reflects an adaptation to the method of presentation employed in submissions to the Saskatchewan Public Utilities Review Commission.

NOTE 4 — INTEREST AND RELATED COSTS

	1983	1982
	(Thousands of dollars)	
Interest charges	$ 76,735	$ 67,782
Amortization of discount	640	649
Amortization of foreign exchange provisions	1,795	1,111
	79,170	69,542
Less:		
Sinking fund earnings	11,079	8,512
Gain on debt retirement	385	452
Interest charged to construction	1,662	1,285
Interest on temporary cash investments	1,015	712
	$ 65,029	$ 58,581

NOTE 5 — PROPERTY, PLANT, AND EQUIPMENT

	1983	1982
	(Thousands of dollars)	
Buildings, plant, and equipment	**$1,074,872**	$ 981,007
Land	**26,827**	26,761
Plant under construction	**19,485**	25,772
Materials and supplies	**11,781**	12,957
	1,132,965	1,046,497
Less:		
Accumulated depreciation	**352,363**	302,260
	$ 780,602	$ 744,237

NOTE 6 — INVESTMENT TELESAT CANADA

This investment represents 99,900 no par value common shares, of Telesat Canada at an issue price of $10 per share.

NOTE 7 — DEFERRED CHARGES

	1983	1982
	(Thousands of dollars)	
Applicable to long-term debt:		
Unamortized discount	**$ 7,034**	$ 6,917
Unamortized unrealized net foreign currency losses	**25,417**	23,453
	32,451	30,370
Less:		
Unamortized gain on retirements before maturity	**901**	1,287
	31,550	29,083
Unamortized Early Retirement Plan benefit costs	**6,845**	—
	$ 38,395	$ 29,083

NOTE 8 — LONG-TERM DEBT PROVINCE OF SASKATCHEWAN

Percent	Issue date	Due date	Recorded debt outstanding 1983 ($000's)	1982 ($000's)
5.000	Sept. 1, 1958	Sept. 1, 1983	$ —	$ 6,779
4.750	Jan. 2, 1959	Jan. 2, 1984	**2,906** (a)	2,869
5.500	Jan. 15, 1964	Jan. 15, 1984	**4,302**	4,302
5.500	July 15, 1964	July 15, 1985	**2,607**	2,607
5.500	Dec. 1, 1964	Dec. 1, 1985	**5,186**	5,186
5.650	1966	1986	**7,401** (b)	7,401
13.375	April 1, 1981	April 1, 1986	**75,000** (c)	75,000
5.698	1967	1987	**2,682** (b)	2,682
6.000	Mar. 1, 1967	Mar. 1, 1987	**2,928**	2,928
6.549	1968	1988	**2,000** (b)	2,000
7.541	1969	1989	**10,100** (b)	10,100
8.093	1970	1990	**9,806** (b)	9,806
4.875	Oct. 1, 1965	Oct. 1, 1990	**7,341** (a)	7,250
7.125	1971	1991	**9,461** (b)	9,461
16.375	Oct. 1, 1981	Oct. 1, 1991	**62,220** (a)	61,440
7.528	1972	1992	**15,093** (b)	15,093
7.689	1973	1993	**8,644** (b)	8,644
7.750	Feb. 15, 1973	Feb. 15, 1998	**5,000**	5,000
8.250	Dec. 3, 1973	Dec. 3, 1998	**15,000**	15,000
10.000	Dec. 2, 1974	Dec. 2, 1999	**25,000**	25,000
11.750	June 2, 1980	June 2, 2000	**25,000**	25,000
9.875	Nov. 3, 1975	Nov. 3, 2000	**2,222**	30,000
10.250	Apr. 1, 1976	Apr. 1, 2001	**25,000**	25,000
9.000	Feb. 1, 1977	Feb. 1, 2002	**25,000**	25,000
13.000	Dec. 1, 1982	Dec. 1, 2002	**75,000** (d)	75,000
12.250	Mar. 30, 1983	Mar. 30, 2003	**25,000**	—
9.500	June 15, 1978	June 15, 2003	**30,000**	30,000
11.650	1983	2003	**8,182** (b)	—
10.000	May 15, 1979	May 15, 2004	**40,000**	40,000
8.700	Nov. 15, 1976	Nov. 15, 2006	**62,220** (a)	61,440
8.625	May 15, 1977	May 15, 2007	**62,220** (a)	61,440
9.250	April 27,1978	April 15,2008	**62,220** (a)	61,440
			714,741	712,868
Less: Equity in sinking funds			**81,973** (e)	83,543
Net long-term debt — December 31			**$ 632,768**	$ 629,325

(a) Represents long-term debt repayable in United States dollars having a U.S. face value of $208,235,000 converted to $227,891,000 Canadian at time of issue. It is recorded in Canadian Dollar equivalent of $259,127,000 based on the foreign exchange rate prevailing as at December 31, 1983 of 1.2444 (1982 - 1.2288).

(b) Long-term debt totalling $73,369,000 received through the Canada Pension Plan under 20 year terms, is subject to redemption at six months notice.

(c) Subject to exchange for an equal amount of 13.375% debentures due April 1, 1996, if the holders so elect.

(d) Subject to right of repayment as a whole but not in part on December 1, 2000, at the option of the province.

(e) Under conditions attached to most long-term debt, SASK TEL is required to pay annually into sinking funds administered by the Province of Saskatchewan amounts ranging from 1% to 3% of the original value of long-term debt received. The equity shown includes United States investments held in the fund having a U.S. value of $4,963,000 recorded at $6,176,000 Canadian Dollar equivalent based on the foreign exchange rate prevailing as at December 31, 1983.

(f) Total sinking fund installments and long-term debt repayments (net of sinking fund equity) on outstanding debt over the next five years are as follows:

1984 — $ 4,563,000
1985 — $ 7,160,000
1986 — $82,248,000 (see (c) above)

1987 — $ 7,165,000
1988 — $ 6,498,000

NOTE 9 — NOTES PAYABLE

Notes payable represents interim capital financing arranged under established Lines of Credit. As at December 31, 1983, there were $36 million of outstanding notes payable to the Province of Saskatchewan bearing interest at the rate of 9.8 percent.

NOTE 10 — COMMITMENTS

As at December 31, 1983, SASK TEL was committed in the amount of approximately $17 million for construction materials, equipment, and services related to the fibre optics network and switching.

NOTE 11 — RELATED PARTY TRANSACTIONS

Included in these financial statements are income and expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan crown-controlled departments, agencies, and corporations with which the corporation is related.

Account balances resulting from these transactions are included in the statement of financial position and are settled on normal trade terms.

Other amounts due to (from) related parties and the terms of settlements are described separately in the financial statements and the notes thereto.

NOTE 12 — REMUNERATION OF DIRECTORS AND OFFICERS

During 1983, eleven persons (1982 - 9) serving on the corporation's board of directors received remuneration amounting to $54,283 (1982 - $10,956). There were also 23 employees (1982 — 19) serving in 19 executive office positions during the year, with aggregate renumeration amounting to $1,398,235 (1982 — $1,174,431). As at December 31, 1983, there were 17 executive officers serving the corporation.

NOTE 13 — COMPARATIVE INFORMATION

Certain 1982 operating revenues and operating expenses have been reclassified to conform with the 1983 presentation. In addition, the statement of changes in financial position has been restated to reflect the cash flow concept.

Board of directors

Graham H. Walker
Chairman
Regina

Hon. J. Gary Lane
Regina

Doug Friend
Rosetown

Bette Harris
Nipawin

Garth Kennedy
Regina

Helen Krozser
Markinch

Jack McFaull
Saskatoon

Mark Seidel
Humboldt

Lyle Taylor
Melfort

Ted Urness
Saskatoon

Bertha Vanderhaeghe
Esterhazy

Art Watt
Craik

Corporate directory

Executive officers

Frank A. Degenstein
President

Roger E. Bason
Vice President
Administration

S. Fraser Lee
Vice President
Network Services

Barry E. Roberts
Vice President
Personnel, Supplies, and Services

Pieter Van Vliet
Vice President
Customer Services

Operating officers

William A. Bruce
Assistant Vice President
Buildings, Supplies, and Services

Harold E. Freberg
Assistant Vice President
Customer Services (North)

John A. Funk
Assistant Vice President
Corporate Information Systems

Ronald N. Gallant
Assistant Vice President
Comptroller

David M. Harvey
Assistant Vice President
Personnel

B. William Lambert
Assistant Vice President
Network Services

John G. McGregor
Assistant Vice President
Planning and Development

H. James Osborne
Assistant Vice President
Public Affairs

George A. Spencer
Assistant to the President

Norman F. Stepan
Assistant Vice President
Marketing

Kenneth H. Thompson
Assistant Vice President
Operator Services

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